

**Minutes of the 25<sup>th</sup> (twenty-fifth) meeting of the Approval Committee for the Sector specific SEZ for IT/ITES developed by M/s. Aqualine Properties Ltd., held on 28-03-2016 at 11:30 hours, under the Chairmanship of Shri Upendra Vasishth, nde, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of Developer i.e. GIFT SEZ Ltd., Gandhinagar.**

List of participants is annexed as Annexure-I

**A) Other cases for Aqualine-IT/ITES - SEZ:-**

**25-A-01) Request of the Developer and units of Aqualine – IT-ITES - SEZ for approval of default list of taxable services.**

Shri Pankaj Kotak, representative of the Developer – M/s. Aqualine Properties Pvt. Ltd., Gandhinagar, appeared before the Committee and briefly explained that their claims for Service Tax Refunds were turn down by the Service Tax Department on the ground that the concerned ‘services’ was not in the approved default list.

In this regard the Approval Committee was informed by the Officers of the Development Commissioner that earlier they had circulated list of 93 services for the SEZ Developers and units in Gujarat, which was duly approved by various Approval Committee(s). Subsequently, the Department of Commerce, in view of bringing uniformity in the list of taxable services applicable for all SEZs in India initially devised list of 58 services which was informed vide letter F.No.D.12/25/2012-SEZ dated 16/09/2013. Two more services viz. Rent-a-cab Scheme Operator and SEZ Online Services were added in above list vide letter of even no. dated 19/11/2013. Three more services viz. Air Travel Agent Services, Rail Travel Agent Services and Travel Agent’s Services were added in the list of default service vide letter of even no. dated 19/06/2014. Further, three services viz. Business Support Services, Transport of Passengers by Air and Accommodation Services were added in the list of default services vide letter of even no. dated 09/06/2014.

The Approval Committee noted that this was done to provide instant approval to 66 services which are of uniform in nature and required by all Developers/Units on day-to-day basis. However Zonal Development Commissioner, KASEZ issued a Public Notice No. 01/2013, dated 09-10-2013 on this issue which basically required developers, co-developers and units to submit Form A1 and to follow other procedures for getting benefit of exemption for payment of Service Tax on these 66 services approved by the Department of Commerce in its meeting with the Development Commissioners on 29-08-2016 as well as further declared as default list to be allowed by all ‘Unit Approval Committees’. Subsequently, O/o Development Commissioner issued letter F.No.KASEZ/IA/G-02/2009-10 on 19/11/2013 intimating that this supersedes the earlier approved default Authorised Services and seeking for resubmission of requests for approval of as a default Authorised Services. The Committee has observed that this letter is technically wrong and issued without approval and concurrence of the Approval Committee and the same was not warranted at the material time, as O/o Development Commissioner cannot nullify decision taken by UAC regarding SEZ Developers and units. Moreover this was also clarified by Ministry of Commerce vide letter No.

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D.12/19/2013-SEZ, dated 21-11-2014 (Instruction No.83) and it was instructed that DC should not insist on fresh application for authorized service already approved by UAC Therefore, Approval Committee after discussing the issue in detail decided that the list of 93 authorized services already provide on 26-10-2012 is deemed to be valid all along and will continue till any other decision taken by UAC

**25-A-02) Submission of Quarterly/Half Yearly Reports by the Developer - M/s. Aqualine Properties Pvt. Ltd., and monitoring of the same-**

The Approval Committee noted and has taken on record the Half Yearly Progress Reports for the period ending September, 2015 (01-04-2015 to 30-09-2015) filed by the Developer and Quarterly Progress Reports for the second and third quarters up to 31-12-2015 duly certified by an independent Chartered Engineer. Further, the Approval Committee directed the Office of the Development Commissioner to regularize submission of QPRs/HPRs before it in periodic manner as required under the SEZ Rules, 2006.

**25-A-03) Monitoring of Performance of SEZ units in Aqualine – IT/ITES-SEZ, in respect of performance up to the monitoring year 2014-15.**

This Approval Committee had granted approvals for 19 (nineteen) entrepreneurs/units in Aqualine – IT/ITES-SEZ, Gandhinagar, out of which 08 (eight) units were in operation as on 31-03-2015. In terms of provisions of Rule 22 of the Special Economic Zones Rules, 2006, these operational SEZ units are required to submit their respective Annual Performance Reports (APR) in prescribed proforma i.e. Form-I to the Development Commissioner and the same needs to be placed before the Approval Committee for consideration. The units have to submit their APRs duly audited and certified by Chartered Accountant appointed by the unit. Performance of the units is to be monitored by the Office of the Development Commissioner. The Office of the Development Commissioner has appointed an independent Chartered Accountant for detailed scrutiny of these APRs. Chartered Accountant appointed for the purpose has scrutinized these APRs.

The Approval Committee has reviewed the CA certified and audited APRs of 08 (eight) SEZ units as on 31-03-2015 i.e. up to monitoring of fiscal year 2014-15 and the net result is as under. There is no case of negative NFE wherein penal action is required to be initiated in respect of any of the units set up in Aqualine – TI/ITES-SEZ, Gandhinagar:-



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Sr. No.	Name of the SEZ unit	Date of commencement of operation	Months of operation as on 31-03-2015	Cumulative NFE earned (Rs. In lakhs)
<b>A)</b>	<b>SEZ units set up in the category of over 03 (three) years but less than 05 (five) years:-</b>			
01	Igate Global Solutions Ltd.	29-10-2010	52	10952.46
02	Gateway Global Sourcing Solutions	25-06-2011	45	11324.70
03	Logical Software Solutions Pvt. Ltd.	02-04-2012	36	2444.14
04	Optimum Sourcing	07-11-2011	41	2068.84
05	Roving Radiology	05-03-2012	37	494.94
06	Supplenta Informatics Pvt. Ltd.	20-12-2011	39	192.53
<b>B)</b>	<b>SEZ units set up in the category of less than 03 (three) years:-</b>			
07	Annet Technologies (Gujarat)	04-07-2012	33	1847.10
08	Inverse BPO.	25-07-2012	32	953.00



( Upendra Vasishth )  
Chairman of Approval Committee  
& Zonal Development Commissioner  
Gujarat SEZs  
(HQ: Kandla-SEZ)

ANNEXURE-I

The following members were present:-

01.	Shri Upendra Vasishth, ndc Zonal Development Commissioner, KASEZ.	Chairman
02.	Shri Anand Jagtiani, JDC (i/c), KASEZ, Ahmedabad	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi
03.	Shri Arvind P. Bansode, Asst. Commissioner – Central Excise.	Nominee of the Commissioner of Central Excise, Ahmedabad-III
04.	Shri N. B. Nangas, ADGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
05.	Shri Pankaj Kotak, M/s. Aqualine Properties Pvt. Ltd.,	Representative of the Developer – Aqualine.